

**Resolution In Support of Sense of the Council Urging Reassessment of Relationship  
With Wells Fargo Resolution of 2017**

WHEREAS, Wells Fargo & Company is an American international banking and financial services holding company headquartered in San Francisco, California; and

WHEREAS, Wells Fargo was recently fined \$185 million for employing high-pressure sales tactics, deceiving its customers and fraudulently collecting fees for at least 3.5 million unauthorized accounts; and

WHEREAS, U.S. Department of Justice found Wells Fargo to have targeted African-American and Hispanic borrowers for risky subprime mortgages and charged them higher fees than other borrowers because of their race or national origin, rather than objective criteria related to borrower risk, and agreed to pay more than \$175 million in relief to homeowners to settle those claims earlier this year; and

WHEREAS, Wells Fargo agreed to pay \$1.2 billion to settle a civil mortgage lawsuit claim with the Federal Housing Administration (FHA) for faulty mortgage loans that contributed to the 2008 housing crash; and

WHEREAS, Wells Fargo agreed to pay \$35.5 million to settle a class action lawsuit earlier this year alleging the bank engaged in an ongoing nationwide pattern and practice of race discrimination against its own employees; and

WHEREAS, Wells Fargo currently faces a federal lawsuit alleging it illegally denied student loans to young immigrants because of their citizenship status, despite those individuals being protected from deportation and legally allowed to work and study in the U.S.; and

WHEREAS, Wells Fargo settled for \$80 million with 570,000 auto loan customers after adding those customers involuntarily to Wells Fargo auto insurance policies, which--after failing to pay the insurance premiums that they were unaware of--caused almost 20,000 customers to lose their cars to repossession; and

WHEREAS, Wells Fargo was fined \$24 million by regulators for overcharging active duty military servicemen, including improper seizures of soldiers' vehicles; and

WHEREAS, Wells Fargo has directly invested in the Potomac, Keystone XL, and Dakota Access Pipelines and stands to profit from projects that threaten the water supplies of the metropolitan D.C. area, the Standing Rock Sioux Tribe, and countless other communities, farms, sensitive natural areas and wildlife habitats through which they pass; is accused of violating multiple environmental and historic preservation statutes; is routed through sacred burial sites; and hampers efforts to transition to renewable energy sources by locking in an anticipated capacity of 570,000 barrels of fracked crude oil per day - a total that emits the equivalent annual carbon emissions of 29.5 U.S. coal plants or 21.4 million cars; and

WHEREAS, Wells Fargo was one of the only major international banking and financial services holding companies to not advocate for upholding the Paris climate Agreement; and

WHEREAS, Wells Fargo recently received a grade of “needs to improve” on its Community Reinvestment Act (CRA) exam as reviewed by the Office of the Comptroller of the Currency due to “an extensive and pervasive pattern and practice of discriminatory and illegal credit practices across multiple lines of business within the bank, resulting in significant harm to large numbers of consumers”; and

WHEREAS, the District of Columbia code § 26–431.06.f states, “to apply for a deposit services contract with the District government, a financial institution must receive at least a ‘satisfactory’ rating on its most recent CRA exam”; and

NOTING, in light of the investigations, settlements and allegations against Wells Fargo, multiple cities and organizations across the country, including Seattle, Washington (divested \$3 billion), Davis, California (divested \$124 million), Santa Barbara, California (divested \$40 million), and the University of California system (divested \$475 million) have officially moved to divest from Wells Fargo & Company; and

NOTING, that Wells Fargo serves as the District of Columbia’s bank of record and the trustee of the District’s general obligation direct purchase bonds; and

NOTING, that Wells Fargo is in the third of a five year contract with the District of Columbia; and cash & treasury management services, including payroll management, up to \$12,408,397.00; and \$2B portfolio for investments, effective Feb. 1, 2017; Wells Fargo is the trustee of DC’s General Obligation Direct Purchase Bonds (total ~\$400K issued Nov. 2016); and

BELIEVING, that it is a priority for the District of Columbia to partner with business entities and financial institutions that are committed to engaging in responsible business practices and supporting the values of District citizens, ANC 1C and the city at-large; and that the District of Columbia should consider moving its money held by Wells Fargo to responsible institutions that are socially & environmentally responsible in their general practices and community development goals;

THEREFORE BE IT RESOLVED, that ANC 1C:

1. ADVISES the Council of the District of Columbia to pass the resolution entitled *Sense of the Council Urging Reassessment of Relationship with Wells Fargo Resolution of 2017* through the Committee on Finance and Revenue;
2. BE IT FURTHER RESOLVED, that ANC 1C requests the District of Columbia Office of the Chief Financial Officer (OCFO) to provide the public with record of public comment periods for any District financial action with Wells Fargo and with assessments of Community Development Plans as required by § 26–431.04 of the District of Columbia Code;

3. BE IT FURTHER RESOLVED, that ANC 1C calls on the District of Columbia Department of Insurance, Securities and Banking (DISB) to research commercial banks with the capacity to serve DC government's banking needs and to detail the banks' investment portfolios, including their investments in the District and their provision of banking services in all 8 wards and to recommend, in consultation with the OCFO's office, how DC government banking needs could be met by socially responsible commercial bank(s);
4. BE IT FURTHER RESOLVED, that ANC 1C calls on the City Council to require that the OCFO moves forward with the best options for socially responsible banking services, including the establishment of a public bank upon completion of the public bank feasibility study being conducted by DISB with \$200,000 provided in the FY18 budget by the City Council.